

# FOCUS ON EFFICIENCY

## ACE methodology – or how to avoid wastes



*Margarita Sitkareva, Head of Process Office, Banking Technologies*



*Andrey Shurygin, Banking Technologies Director*

Our bank, as long as the other companies, plays in a competition world. Our capacity to change and adapt promptly is the only guarantee of competitiveness and survival. Our Top Managers use to mention that the Future comes much quicker than we realize it. How this quick speed of change could be guaranteed?

First of all, we have to be able to change and adapt quickly, and ACE methodology is a must. The principles and goals of ACE (Action for Continuous Enhancement) were explained in an interview with Andrey Shurygin (Head of Banking Technologies) and Margarita Sitkareva (ACE Leader).

Probably you have heard this statement: “Each day in the jungle, a lion wakes up and knows that he must run faster than the slowest gazelle, or he will not survive! Each day in the jungle, a gazelle wakes up and knows that he must run faster than the fastest lion, or he will not survive! It doesn’t matter who we are – gazelle or a lion, but when the sun rises, we should already have run.”



### **Margarita, what is ACE?**

ACE is BNP Paribas Group methodology based on LEAN and Toyota Production System. The word LEAN which means “thin, without fat” reflects the core meaning: produce a product with minimal resources, right first time and with a quality required to our customers.

### **What are main principles of ACE methodology?**

Main principles are reflected in a goal of methodology. It is an elimination of actions not giving an added value (wastes), actions synchronization (all process actions are directed toward a product delivery), process steps standardization, employees empowerment in processes management and problem solving. It is not easy to execute your job with maximal efficiency. While we are improving processes, we should note that improvement success depends 80% on efficiency of a whole company, and only 20% - on methods and tools. **That's why ACE – is not only a continuous improvement methodology, but rather an organization culture.**

### **How an ACE culture could be reflected?**

First of all, **it is reflected in careful treatment of company's resources and our own resources, in aspiration to make our job correct from the first time, to produce a high quality product of a customer need.**

ACE culture may be reflected in such imperceptible actions as an ability to correctly state facts by using a minimal number of words. **ACE culture is also an ability to listen and, in particular, to hear main process performers: they know a process better than any other.** In ACE projects we give them a special attention: Credit specialists, After Sales and Back Office specialists and others who perform mass processes day by day. We watch the way they perform processes (GEMBA) and invite them to project Workshops (KAIZEN). During KAIZENs project teams are mapping a process till its smallest components, then discuss its problems and achieve a consensus in their solving.

### **How it could be found out whether ACE methodology is useful to each individual department?**

If your goal is to improve customers services quality, decrease the lead time for processes (mostly, mass processes numerously repeated during a day), decrease a processing cost, decrease operational risks, - then ACE methodology is exactly for you.

ACE tools allow us to change processes quickly without IT development. Thanks to ACE knowledge we are trying to build our processes in the most agile way: - in the way that their components and product parameters would be easily substitutable in accordance with inconstant customers' needs.

### **Margarita, could you please give us examples of successful ACE practice in our bank?**

ACE methodology has allowed us to improve PTS (vehicle passports) inventory process: inventory lead time was decreased from 60 sec to 2 sec which is more than 1000 man/days per year. Now we are working on return of goods, field visit and customers dossier improvement.

End of 2015, the Process team of Banking Technologies has made a time-study of key bank's processes which was aiming to find processes wastes.

**Andrey, could you please tell us about its results?**

**We've made a time-study (chronometry) 28 processes which were not atomized and numerous repeated during a day.**

After time-study completion we have found out those processes with longest duration and largest wastes %. We have defined 9 processes that were included in process optimization program, and we have launched our program. We plan to finalize it by the end of August.

**Andrey, you have mentioned about wastes in processes. Could you please explain, what is a waste?**

In ACE methodology we find out 8 wastes, which you may find out as well. Stock is a fundamental waste. **Stock** presence excludes the need to improve processes, which leads to other wastes emersion. **Unnecessary activities** during the process (obtaining management signatures etc.), **waiting** for processing (during process step execution and between process steps), **overproduction** (producing more than a customer may consume), **excessive quality** (unnecessary for a customer). An addition, **defects and rework** are considered as a waste (all processes of correction and adjustment). In case you are obliged to regularly correct someone's mistakes, maybe you need a change. It is not always possible to avoid **transportation**



However, it is a waste which increases processing costs and operational risks.

Collaborators who are daily executing processes, know better than others, how they should have been improved. That's why your proactivity and prompt feedback is very important.

Remember that an **underuse of employees' creativity** is a waste as well.

**It turns out that it's impossible to get widespread changes without employees' involvement?**

Exactly. The same as efficiency comes not thanks to individual efforts but synchronized efforts of all the team, the global management system is composed from individual processes that we are executing. That's why everyone may influence on a team result.

**If you have found a waste in your process or you have any questions send us an e-mail to Process Office and order your ACE project: [Process\\_Office@cetelem.ru](mailto:Process_Office@cetelem.ru)**

*Interviewed by Alla Rechmedina*

## Our values and ACE

ACE methodology is fully aligned with Cetelem values: “I’m a Leader, We are the Team, Everything for a Customer”. ACE methodology calls us up to be leaders and to be proactive (no “Holy Cows”, no problems understatement), to teamwork and synchronized actions, to be customer oriented in every single activity.

### Some ACE tips, or how to be more close to ACE culture:



#### **Keep your workplace in order**

Start with putting in order your workplace, your mailbox and your electronic documents saved on shared drives or on a Desktop.

Use one of ACE tools – “5S”:

**Sort out** - define the area where you would like to clean up (the scope of your work);

**Set in order** – group your documents or papers in accordance with the logic of its storage (by date, by name, by customer or credit product etc.)

**Shine** - clean up your workplace from unnecessary/old documents or papers

**Standardize** – rename your folders / files in accordance with a chosen logic, so that you could find easily any file

**Sustain** – since now on, adhere to this storage and organization logic.

#### **Don't plan a wide perimeter of change**

More global changes, more risks that they would be implemented incorrectly and/or with delays. Less precisely we know what we want to obtain, and how we shall achieve these changes, higher the risk of implementation delay. It is more efficient to implement a small change quickly, rather than attempting to implement wide change with indefinitely changing scope of changes. It is better that you would feel a shame of your small scope of changes, but it would be implemented on time.

#### **Your targets should be SMART:**

**Specific** - your objectives should have a precise definition and to be directly referred to a process, that you are going to change

**measurable** (to have a measurement units and calculation formula (if applicable)

**attainable** (it should be challengeable but you should be able to achieve the objective on time)

**relevant** (corresponding to global company's strategy and validated by Sponsor)

**time-specific** (limited by time)

Remember that in reality it is much easier to achieve the result with a precise objective.